

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
SOUTHERN DIVISION

CIVIL ACTION FILE NO.: 7:19-cv-89-BO

NEIGHBORHOOD NETWORKS)
PUBLISHING, LLC and N2)
FRANCHISING, LLC,)
 Plaintiffs,)
 v.)
)
JACQUELINE MARIE LYLES and)
LIFESTYLE PUBLICATIONS, LLC,)
 Defendants.)

**AFFIDAVIT OF
JACQUELINE M. LYLES**

Jacqueline M. Lyles, being first duly sworn, deposes and says:

1. I am over 18 years of age, I am not subject to any disability, and I am fully able to make the statements set forth in this Affidavit.
2. The statements contained in this Affidavit are made of my own volition and are true of my own personal knowledge, except as to those matters stated on information and belief that I believe to be true.
3. From February 1, 2016, until August 1, 2018, I was an N2 franchisee and Area Director in Atlanta's Peachtree Battle community.
4. In my position as an N2 Area Director, I was given access to N2's proprietary software systems, including N2 Portal and PubManager. These systems allow Area Directors to, among other things, access detailed client information, such as contact information and payment history. It was my understanding that N2 created these software systems itself.
5. Before I could access these systems, N2 made me sign a confidentiality agreement, which was part of my Franchise Agreement. This confidentiality agreement said that I should keep the information contained on these systems secret and not disclose the information to anyone. Attached as

Exhibit A and incorporated herein by reference is a true and accurate copy of my Franchise Agreement.

6. On August 31, 2018, I sold my N2 franchise rights to William Craig O'Neal. I understood that, after I sold my N2 franchise, I was still required to keep N2's information confidential. That included not telling anyone the information that I learned from N2's systems.

7. On February 19, 2019, I became an independent contractor with Lifestyle Publications S.E., LLC ("Lifestyle S.E."), a company affiliated with Lifestyle Publications, LLC ("Lifestyle Publications"). Attached as Exhibit B and incorporated herein by reference is a true and accurate copy of my Independent Contractor Agreement with Lifestyle S.E., welcoming me to the "Lifestyle team." Both James Newman and I signed my Independent Contractor Agreement.

8. Upon information and belief, James Newman of Lifestyle Publications S.E., LLC knew that I had previously worked with N2 as a franchisee and Area Director.

9. Lifestyle Publications and N2 are engaged in similar lines of business both nationally and in the Atlanta, GA market, which is a fact I was aware of at the time I began selling advertising for Lifestyle Publications.

10. In my capacity working with Lifestyle S.E. one of my main responsibilities was to sell advertising for placement in the following community publications owned by Lifestyle Publications, including *BuckHaven Lifestyle*, *Perimeter North Lifestyle*, *Johns Creek Lifestyle*, and *Alpharetta Lifestyle*, and to otherwise promote the business interests of Lifestyle Publications.

11. While working with Lifestyle S.E., Lifestyle Publications issued me the email address jackie.lyles@lifestylepubs.com, which I used to solicit business and advertising agreements on behalf of Lifestyle Publications.

12. When I was under contract with Lifestyle S.E., until at least late March 2019, I used my unique N2 login credentials to access N2 Portal and PubManager on multiple occasions. I did so out of curiosity to see how my former

publications were doing. I did not re-type my login credentials, however. They were stored on my computer, which was able to automatically connect.

13. Using N2 Portal while under contract with Lifestyle S.E. and working to promote the interests of Lifestyle Publications, I accessed the client details or ad lists for some of N2's existing clients.

14. Using N2 Portal while under contract with Lifestyle S.E. and working to promote the interests of Lifestyle Publications, I also accessed certain recent unpaid ad lists out of curiosity to see how my former publication was doing.

15. Using PubManager while under contract with Lifestyle S.E. and working to promote the interests of Lifestyle Publications, I searched for and viewed the content and proofs for multiple N2 publications circulated in the Buckhead and Peachtree Battle areas of Atlanta as a curiosity to see how they were doing.

16. I do not recall sharing information that I learned from the N2 Portal and PubManager with Lifestyle S.E.

17. In or around late March 2019, I began using a new computer that did not have my N2 login credentials saved. I then tried to login to the N2 Portal or PubManager one or more times within a short window of time.

18. N2 terminated my access to N2 Portal and PubManager in or around late March 2019.

19. In or around late March 2019, an employee of Cunningham Associates, a heating and air-conditioning company in the Atlanta area, visited our house to work on our water heater. Afterwards, Bob Cunningham texted me and asked how retirement was going. I replied that I was working for a new magazine. Bob then asked me to meet with him. At that follow-up meeting, Bob asked me to obtain a copy of his N2 ad—which had expired—because Cunningham Associates could not find a copy in their records. I did not think this was improper, as I understood that N2 customers owned their ads.

20. Around the same time that N2 deactivated my login credentials and secure password, I sent an email to N2's support team. Attached as Exhibit C and incorporated herein by reference is a true and accurate copy of the email that I

sent to N2's support team. In this email, I asked N2 to send me a recent ad that had run in *Peachtree Battle Living* for Cunningham Associates. I sent the email to N2 as a favor to Bob Cunningham. The N2 ad was not used in any Lifestyle publication, to the best of my knowledge.

21. Cunningham Associates was one of a small number of N2's clients that I approached and asked to advertise in a Lifestyle Publications magazine.

22. In my March 2019 email to N2, I told N2 that I had "retired." I did not inform N2 that I was working for Lifestyle S.E. and Lifestyle Publications because I knew that if I did, N2 would not have provided me with the ad.

23. My business relationship with Lifestyle Publication ended on April 29, 2019, and I will not contract with, be employed by, or otherwise work with Lifestyle Publications or Lifestyle S.E., separately or collectively, in any way for two years from the date of entry of the Consent Judgment and Permanent Injunction by the United States District Court in the lawsuit between N2 and me, among others.

Affiant says nothing further.

This the 5 day of ^{February} ~~January~~, 2020. JML

Jacqueline M. Lyles
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Fulton COUNTY, Georgia STATE

Sworn to (or affirmed) and subscribed before me this day by Jacqueline M. Lyles.
(type/print name of signer)

Date 02/05/2020

Rosemary R. Ocampo
Notary Public



My commission expires: 4-19-2021